

HIGH SCHOOL CORE AREA

Economics

Standard ECON-8: The student will demonstrate an understanding of the principles of trade and economic development.

ECON-8.3 Compare the effects of unrestricted and restricted trade—including those of tariffs and quotas—on the economic and social interests of a nation-state. (E, G)

Taxonomy Level: B 3 Applying /Conceptual Knowledge

Previous knowledge

In first grade (1-6.2) students explained methods for obtaining goods and services, including buying with money and bartering. In second grade (2-4.2, 2-5.4) students summarized how nation-states interact with one another in order to conduct trade and identify the relationships between trade and resources both within and among communities, including natural, human, and capital resources. Third grade students (3-2.1) explained the motives behind the exploration of South Carolina by the English, the Spanish, and the French, including the idea of “for king and country.” While fourth grade (4-1.1, 4-1.4) students explained the political, economic, and technological factors that led to the exploration of the New World by Spain, Portugal, and England, including the competition between nation-states, the expansion of international trade, and the technological advances in shipbuilding; and explain the exchange of plant life, animal life, and disease that resulted from exploration of the New World. Fourth grade (4-2.5, 4-5.2) students also summarized the introduction and establishment of slavery in the American colonies, including the role of the slave trade; the nature of the Middle Passage; and the types of goods—rice, indigo, sugar, tobacco, and rum, for example—that were exchanged among the West Indies, Europe, and the Americas; and explained the motives for the exploration in the West and the push for westward expansion, including the concept of manifest destiny, economic opportunities in trade, and the availability of rich land. In fifth grade (5-2.3, 5-6.5) students summarized how railroads affected development of the West, including their ease and inexpensiveness for travelers and their impact on trade and the natural environment; while also summarizing the changes that have taken place in United States foreign policy since 1992, including the globalization of trade and the war on terrorism.

In sixth grade (6-1.5, 6-4.2) students explained the role of economics in the development of early civilizations, including the significance and geography of trade networks and summarized the features and major contributions of China, including its golden age of art and literature, the invention of gunpowder and woodblock printing, and commercial expansion and the rise of trade. Also in sixth grade (6-6.2) students compared the incentives of the various European countries to explore and settle new lands. Seventh grade (7-1.3, 7-1.6) students compared how European nations exercised political and economic influence differently in the Americas, including trading-post empires, plantation colonies, and settler colonies and explained the emergence of capitalism, including the significance of mercantilism, a developing market economy, an expanding international trade, and the rise of the middle class. Seventh grade (7-4.1, 7-7.6) students also summarized the economic origins of European imperialism and explain

the impact of increasing global economic interdependence in the late twentieth century and the early twenty-first century. In eighth grade (8-1.6) students explained how South Carolinians used natural, human, and political resources to gain economic prosperity, including trade with Barbados, the slave trade, and the practice of mercantilism. Also in eighth grade (8-7.5) students explained the economic impact of twentieth century events on South Carolina, including the opening and closing of military bases, the development of industries, the influx of new citizens, and the expansion of port facilities.

In high school Global Studies (GS-1.2, GS-2.3) students summarized the essential characteristics of Roman civilization and explained their impact today, including the influence of other civilizations on Rome's development, the economic structure of Roman trade and labor, and factors contributing to the decline of the empire; and also summarized the economic, geographic, and social influences of trans-Saharan trade on Africa, including education and the growth of cities. Global Studies (GS-4.1, GS-4.2) students also explained the significant political, commercial, and cultural changes that took place in China in the nineteenth century, including the unification of Chinese culture and the motivations and effects of China's changing attitudes toward foreign trade and interaction; and further, explained the economic and cultural impact of European involvement on other continents during the era of European expansion.

In United States History (USHC-5.2) students summarized the factors that influenced the economic growth of the United States and its emergence as an industrial power, including the abundance of natural resources; government support and protection in the form of tariffs, labor policies, and subsidies; and the expansion of international markets associated with industrialization. Students also (USHC-6.1) analyzed the development of American expansionism, including the change from isolationism to intervention, the rationales for imperialism based on Social Darwinism and expanding capitalism, and domestic tensions. In United States Government (USG-4.1, USG-4.2) students summarized ways in which United States foreign policy is formulated and carried out, including current foreign policy issues and security interests; the influence and exchange of political ideas between nations; and America's contributions to the world in politics, environmentalism, technology, science, humanitarianism, and culture; and compared the roles of international organizations in world affairs, including the United Nations, the North Atlantic Treaty Organization (NATO), and the World Health Organization.

Future knowledge

While no future knowledge is required, young adults should have a general understanding of the importance of international trade and globalization to the American economy and the average American worker. Given the importance of international trade to most companies and many jobs across America, students should have a basic understanding of the impact of tariffs or quotas on consumers, producers, and the nation, generally. Students should have a general understanding of the political nature of many of these policies, which allows students to be better decision makers when politicians, lobbyists, or companies push for a specific policy approach on international trade. In general, a basic foundation of knowledge concerning the outcomes of free trade and reduced protectionism is essential for young adults to be competitive and informed employees, consumers, and citizens.

It is essential for students to know

It is essential that students be able to define and provide examples of tariffs, quotas, and other non-tariff barriers. Students should understand the kinds of goods and that fall into these respective categories. Students should be able to use a graphical illustration to show the effect of a tariff and or a quota. This includes the student being able to identify the efficiency loss of a tariff on consumer surplus and the resulting changes in producer surplus. It is also essential that students be able to compare graphically the outcome of a quota and a tariff on the price and quantity of an example good.

It is also essential that students can identify the potential winners and losers from both free trade and protectionist trade policy. It is essential that students understand the political nature of these policies and be able to use this information to clarify potential winners and losers from specific trade policy.

It is not essential for students to know

It is not essential for students to be able to explain or illustrate how the levying of a tariff or a quota affects foreign consumers and producers; or be able to explain how tariffs or quotas impact world prices and trade. It is not essential for students to have knowledge of specific tariffs or quotas. They also do not need to know details of other nation's tariffs or quotas or international policies concerning tariffs or quotas. Students do not need to understand the historical trend and evolution of tariff reduction, driven, in part, by international agreements/organizations like the GATT, WTO, and others.

Assessment guidelines

Appropriate assessment requires students to **compare** the effects of unrestricted and restricted trade; therefore, the primary focus of assessment should be for students to **interpret** the domestic outcome of a tariff or quota from graphical **illustrations** representing these policies. Additional assessments may require students to **compare and contrast** the outcomes from a domestic tariff or quota, with emphasis on changes in consumer and producer surplus as a result of trade restrictions.